

111TH CONGRESS
1ST SESSION

S. 233

To amend the Internal Revenue Code of 1986 to make the allowance of bonus depreciation and the increased expensing limitations permanent.

IN THE SENATE OF THE UNITED STATES

JANUARY 14, 2009

Mr. ALEXANDER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to make the allowance of bonus depreciation and the increased expensing limitations permanent.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. BONUS DEPRECIATION MADE PERMANENT.**

4 (a) IN GENERAL.—Paragraph (2) of section 168(k)
5 of the Internal Revenue Code of 1986 (relating to special
6 allowance for certain property acquired after December
7 31, 2007, and before January 1, 2009) is amended—

8 (1) in subparagraph (A)—

9 (A) by adding “and” at the end of clause

10 (ii),

1 (B) by striking “, and before January 1,
2 2009” in clause (iii)(I),

3 (C) by striking “, and before January 1,
4 2009, and” in clause (iii)(II) and inserting a
5 period, and

6 (D) by striking clause (iv),

7 (2) in subparagraph (B), by striking clause (ii)
8 and by redesignating clauses (iii) and (iv) as clauses
9 (ii) and (iii), respectively, and

10 (3) in subparagraph (E)(i), by striking “, and
11 before January 1, 2009”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Subclause (I) of section 168(k)(2)(B)(i) of
14 the Internal Revenue Code of 1986 is amended by
15 striking “(iii), and (iv)” and inserting “and (iii)”.

16 (2) Clause (i) of section 168(k)(2)(C) of such
17 Code is amended by striking “, (iii) and (iv)” and
18 inserting “and (iii)”.

19 (3) Subparagraph (B) of section 168(l)(5) of
20 such Code is amended to read as follows:

21 “(B) by substituting ‘January 1, 2013.’ for
22 the period at the end of clause (i) thereof,
23 and”.

24 (4) Subparagraph (D) of section 1400L(b)(2)
25 of such Code is amended by striking “clause (i)

1 thereof shall be applied without regard to ‘and be-
2 fore January 1, 2010’, and”.

3 (5) Subparagraph (B) of section 1400N(d)(3)
4 of such Code is amended to read as follows:

5 “(B) by substituting ‘January 1, 2008.’ for
6 the period at the end of clause (i) thereof,
7 and”.

8 (6) The heading for subsection (k) of section
9 168 of such Code is amended by striking “AND BE-
10 FORE JANUARY 1, 2009”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to property placed in service after
13 December 31, 2008.

14 **SEC. 2. PERMANENT INCREASE IN LIMITATIONS ON EX-**
15 **PENSING OF CERTAIN DEPRECIABLE BUSI-**
16 **NESS ASSETS.**

17 (a) IN GENERAL.—Subsection (b) of section 179 of
18 the Internal Revenue Code of 1986 (relating to limita-
19 tions) is amended—

20 (1) by striking “\$25,000” and all that follows
21 in paragraph (1) and inserting “\$250,000.”,

22 (2) by striking “\$200,000” and all that follows
23 in paragraph (2) and inserting “\$800,000”,

24 (3) by striking “after 2007 and before 2011,
25 the \$120,000 and \$500,000” in paragraph (5)(A)

1 and inserting “after 2009, the \$250,000 and the
2 \$800,000”,

3 (4) by striking “2006” in paragraph (5)(A)(ii)
4 and inserting “2008”, and

5 (5) by striking paragraph (7).

6 (b) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 2008.

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